

WASHINGTON, DC - Congressman Robert C. "Bobby" Scott (D-VA-03) sent the following letter to Congressman Charles B. Rangel (D-NY-15), Chairman of the House Committee on Ways & Means, regarding the Economic Stimulus Package:

The Honorable Charles B. Rangel

Chairman, Committee on Ways & Means

1102 Longworth House Office Building

Washington, D.C. 20515

Dear Chairman Rangel:

There is currently a consensus in Congress that any economic stimulus package should be timely, targeted and temporary. In addition to proposals on unemployment compensation, food stamps, and tax rebates, I hope your Committee will consider the following suggestions as you begin to draft an economic stimulus package.

First, I think it is critical that an economic stimulus package include additional funding targeted towards providing summer job opportunities for low-income youth through the Department of Labor's Youth, Adult, and Dislocated Worker Employment and Training Activities Program. This grant program was created by the Workforce Investment Act and has a specific Youth Activities component (Subtitle B, Chapter 4).

It would be most beneficial to target additional funding to the Youth Activities component, specifically for the summer term.

Additional funding could also be directed through Community Action Agencies, such as the National Community Action Foundation.

This would be timely because the funds could be made available by the summer.

It would be targeted towards low-income youth who are likely to go out and spend their paychecks immediately.

Finally, it would be temporary because these jobs would likely expire at the end of the summer.

Second, if Congress is to include any form of a corporate tax cut in an economic stimulus package, I suggest that such a tax cut be in the form of accelerated depreciation. On Wednesday, January 16th

, former Treasury Secretary Lawrence Summers addressed the Democratic Budget Group and indicated support for accelerated depreciation as a timely, targeted and temporary tax cut.

Accelerated depreciation would be timely because once enacted small businesses and corporations are likely to make capital purchases that they may not normally make under current economic conditions.

Secretary Summers also suggested that accelerated depreciation could be more targeted if applied only towards “incremental” spending, such as allowing the tax preference to apply only to capital expenditures in excess of the average of such expenditures over the last three years.

Accelerated depreciation would also be temporary and have the least significant impact on the federal budget deficit because it would virtually pay for itself in the out years.

Finally, I hope that your Committee will also consider adding funding for home winterization for low income homeowners. Obviously any additional funding would not immediately benefit homeowners this winter, but would alleviate a tremendous financial strain on many low income homeowners later this year.

These additional funds would also be timely in creating additional jobs by this summer for winterization for next fall and winter.

These funds could provide jobs to unemployed low and moderate income individuals who would likely spend their paychecks soon.

The program could of course be worded in a way that would make it a temporary increased authorization.

I think it would be most beneficial to our slowing economy to target low and moderate income people who are in most need of assistance. This is consistent with Secretary Summer’s testimony at Tuesday’s Joint Economic Committee hearing, as well as Federal Reserve Chairman Ben Bernanke’s testimony at Thursday’s Budget Committee hearing.

I hope that you will consider these suggestions as your Committee begins drafting an economic stimulus package.

Sincerely,

/s/

ROBERT C. “BOBBY” SCOTT

Member of Congress

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